

In the event auction authority is not forthcoming, I urge commenters to focus on ways to improve the lottery process and to comment on whether the high application fees proposed for lottery participants will reduce the likelihood of abuse by speculators. At the same time, I have no desire to preclude small businesses from entering the PCS arena and, therefore, today's NPRM seeks comment on whether special reductions in the proposed application fees may be appropriate for smaller entrepreneurs.

Also, the question of service area size, as well as the maximum number of licensees, is of critical significance to the likely success of this exciting new service. Accordingly, in making a final decision on those matters, I intend to pay particular attention to commenters' views on whether 30 MHz or perhaps more is necessary to make PCS a viable consumer service, and whether regional licenses are the best way to speed the availability of that service to the public.

Despite the regulatory hurdles, I remain confident that the FCC can resolve these issues expeditiously and I look forward to the day I can replace the antiquated phone system in my office with a portable network that allows me to call on my staff at any time, on any day, regardless of their location.

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July 16, 1992

**SEPARATE STATEMENT  
OF  
COMMISSIONER ANDREW C. BARRETT**

**In re: Amendment of the Commission's Rules to Establish New  
Personal Communications Services (Gen Docket No. 90-314 and ET  
Docket No. 92-100).**

The Commission has set the stage for the introduction of new mobile and portable telecommunications services through adoption of this Notice of Proposed Rulemaking on personal communications services (PCS). The Notice proposes a broad definition of PCS that will give significant flexibility to future PCS providers. Services, such as mobile telephones, wireless fax and wireless data, could become a reality in many markets, both rural and urban, large and small. The Notice also proposes technical standards for interference and coordination with existing microwave users, and other PCS providers. Accordingly, I support adoption of the Notice, but issue this statement to emphasize a few of the areas where I have particular concerns.

The goal of this proceeding is to provide for greater competition in the telecommunications industry. Genuine competition benefits the public through assuring the best practicable service at reasonable prices for consumers. Throughout our process, I have stressed the need to examine how this Commission can assure the optimum number of competitors in the PCS market. To the extent it is technically and economically feasible, the Commission should encourage the development of 3, 4, or perhaps even 5 PCS operators in a market.

I also have been concerned with the proposal to adopt a licensing scheme which only provides for national licensing, or a scheme with mainly national licensing and some regional licensing. I am pleased that this Commission seeks comment on licensing schemes for PCS which consider licensing at the local level and smaller regions, such as the use of LATAs and basic trading zones. I believe these questions will allow the Commission to more appropriately consider the licensing of this service. I seek a service where several new participants, both large and small, will have the ability to compete in the PCS market.

With respect to the potential licensing methodology, the Notice requests comment on whether to use a lottery to select licensees for this service. We also seek comment on how to improve the existing lottery system. I am encouraged with these efforts to improve the lottery process. My concern in both the

adoption of a lottery or an auction scheme would be to ensure that smaller players have an opportunity to compete for the licensing of this valuable spectrum.

In addition, the question of local exchange carriers (LECs) and cellular participation in PCS within their service areas has been debated among the offices. The item encourages comment on this topic. I recognize the competitive concerns involved with current LEC and cellular operators receiving PCS spectrum within their service areas, but I also understand the efficiencies to be gained by the participation of these experienced operators in this market. I do not believe it appropriate to exclude participants without providing an opportunity for comment. Therefore, I encourage parties to provide arguments on all sides of this issue.

I also support the separate Notice on the development of a 900 MHz narrowband PCS service. This service will be an important part of the Commission's ability to establish flexible, competitive PCS service offerings.

Finally, I anticipate that there will be some jurisdictional issues raised by the Commission's implementation of PCS. The item seeks comment on the private versus common carriage issue. I look forward to reviewing the comments that will address the implications of this question.

Overall this is a good item. I congratulate the Office of Plans and Policy and Office of Engineering Technology and the Common Carrier Bureau on this effort. I also acknowledge the important input of the staffs of all the Commissioners' offices. I look forward to reviewing the comments filed in response to this Notice.